

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
NOTICE OF SETTLEMENT AND OUTSTANDING MATTERS  
DOCKET NO. 2014-346-WS**

On February 25, 2021, the Public Service Commission (“Commission”) approved a settlement in Docket No. 2014-346-WS. The approved settlement was agreed upon by all parties in the case: Daufuskie Island Utility Company, Inc. (“DIUC”), the Office of Regulatory Staff (“ORS”) and Haig Point Club and Community Inc., Melrose Property Owner’s Association and Bloody Point Property Owner’s Association (collectively as POAs”). The settlement results in a rate increase that will become effective on March 1, 2021, and billed by DIUC with its April 1, 2021, quarterly billing for the first quarter of 2021.

In its initial 2014 Application, DIUC requested a 108.9% increase over its 2012 rates. Since that time there have been two hearings before the Commission, two orders of the Commission, and two appeals to the South Carolina Supreme Court in this matter. As a result of the second Commission Order in late 2017, DIUC was permitted a \$950,178 overall rate increase that was designed to produce combined water and sewer annual revenues of \$2,023,759. That was an 88.5% increase over DIUC’s 2012 rates. DIUC implemented that increase but also appealed the Order. DIUC won the appeal and the matter was remanded to the Commission where DIUC sought additional annual revenues of \$243,955 for total combined annual revenues of \$2,267,714.

The settlement recently approved by the Commission includes the requested \$243,955 and permits DIUC annual combined revenues of \$2,267,714. This is a 108.9% revenue increase over the 2012 rates. DIUC’s April 1, 2021, customer billing will reflect a proration for the first quarter of 2021, with two months of service (for January and February 2021) billed at the existing 88.5% increase level and with one month (March 2021) billed at the 108.9% increase from the settlement agreement.

In DIUC’s opinion, the 108.9% increase should have been allowed beginning on October 1, 2017, through March 1, 2021, so DIUC will seek “reparations” through one-time surcharges added to bills to recover the shortfall in revenues and return on investment for that period of time. Because the 108.9% increase was not allowed to begin on October 1, 2017, DIUC gave certain credits/refunds to customers in their January 1, 2018, billing. DIUC now seeks reimbursement for the credit/refund made to the customers with the January 1, 2018, billing. DIUC is asking the Commission to permit it to recover those credits via a separate one-time surcharge with interest at the allowed 9.31% equity return.

The ORS and POAs oppose DIUC’s request for these surcharges. To allow the parties to present these issues for Commission consideration, the Settlement includes provisions for each party to present within a specific time schedule their respective initial and responsive positions to the Commission. If reparations through surcharges are approved by the Commission, DIUC will provide the specific calculations of the surcharges for review by the parties and approval of the Commission. DIUC is confident it has maintained an accurate record of all customers’ accounts and will therefore be able to determine specific surcharges by account.

The settlement agreement does not end this proceeding. Docket No. 2014-346-WS remains open. DIUC, ORS, and the POAs will remain parties to the proceeding as it continues.

**NOTICE OF FUTURE EVENTS AND OPPORTUNITY TO BE HEARD**

1. Any additional entity or person who wishes to participate in the future proceedings in this matter as a party of record should file Petition to Intervene in accordance with the Commission’s Rules of Practice and Procedure on or before **April 5, 2021**. You must file the Petition to Intervene with the Commission, provide a copy to the Office of Regulatory Staff, and provide a copy to all parties of record. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2014-346-WS and mail a copy to all other parties in this docket.***
2. Any person who seeks to intervene and who wishes to testify and present evidence at a hearing, if scheduled, should notify, in writing, DIUC; the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201, on or before **April 5, 2021**. ***Please refer to Docket No. 2014-346-WS.***
3. A public hearing on the remaining issues in this docket, if scheduled, will be held in Columbia, South Carolina in the offices of the Commission located at 101 Executive Center Drive, Suite 100, Columbia, South Carolina 29210. The time and date of this hearing will be furnished to all interested parties at a later date.

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to [www.psc.sc.gov](http://www.psc.sc.gov) and ***Docket No. 2014-346-WS***. Persons seeking information about the Commission’s procedures should contact the Commission at (803) 896-5100 or visit its website at [www.psc.sc.gov](http://www.psc.sc.gov).